(25,947)

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1917.

No. 498.

WILLIAM H. ODELL, APPELLANT,

vs.

F. C. FARNSWORTH COMPANY AND FARNSWORTH MANUFACTURING COMPANY.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

INDEX.

	Original.	Print
Citation and service	1	1
Judge's certificate of jurisdictional question	3	2
Subpœna and marshal's return	4	2
Amended bill of complaint	5	4
Agreement between Odell and F. C. Farnsworth & Co., September 8, 1914	13	7
Answer	15	9
Opinion, Manton, J.	21	12
Final decree	24	14
Assignment of errors	25	14
Petition for appeal and allowance	26	15
Stipulation as to record on appeal	28	16
Order to certify record	29	16
Stipulation to record	30	17
Clerk's certificate	31	17

& DETWEILER (INC.), PRINTERS, WASHINGTON, D. C., JUNE 4, 1917.

1 District Court of the United States for the Southern District of New York.

In Equity. E-13-400.

WILLIAM H. ODELL, Plaintiff,

against

F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING COMPANY, Defendants.

UNITED STATES OF AMERICA, *ss:*

To F. C. Farnsworth Company and Farnsworth Manufacturing Company, Greeting:

You are hereby cited and admonished to be and appear at the Supreme Court of the United States, to be held at the City of Washington, in the District of Columbia, on the 27th day of May 1917, pursuant to an order allowing an appeal filed and entered in the clerk's office of the district court of the United States for the Southern District of New York, from a final decree, signed, filed and entered on the 7th day of April 1917 in that certain suit, being in Equity No. E. 13-400, wherein William H. Odell is plaintiff and you are defendants and appellees, to show cause, if any there be, why the decree rendered against the said appellant, as in said order allowing appeal mentioned, should not be corrected and why justice should not be done to the parties in that behalf.

Witness the Honorable Martin T. Manton, United States District Judge for the Southern District of New York this 27th day of April 1917, and of the independence of the United States the one
2 hundred and forty-second.

MARTIN T. MANTON,
Judge of the District Court of the United States for the Southern District of New York.

Service acknowledged on this 27" day of April 1917.
ROGERS, KENNEDY & CAMPBELL,
Solicitor- for Defendants.

[Endorsed:] U. S. District Court, S. D. of N. Y. Filed May 1, 1917.

3 District Court of the United States, Southern District of New York.

In Equity. E-13-400.

WILLIAM H. ODELL, Plaintiff,

against

F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING COMPANY, Defendants.

Certificate.

This cause come on to be heard upon the Bill of Complaint and a motion to dismiss made by the defendants at the time of trial upon the ground that this court had no jurisdiction because the cause set forth in the Complainant's Bill amounts to an action under a contract and is not a suit arising under the patent laws and that the case not being less than three thousand dollars, this Court has no jurisdiction.

Now, therefore, it is certified that the question of the jurisdiction of this court upon the ground stated to wit:—that the cause set forth in the complainant's Bill amounts to an action under a contract and is not a suit arising under the patent laws and as the Bill shows the sum involved to be less than three thousand dollars, I have found that this court has no jurisdiction and it was my duty to dismiss the bill, which was accordingly done.

3½ I further certify that this is the only question arising upon the pleadings and decided in the case and now certified to the Supreme Court of the United States for its decision.

This Certificate is granted at the term in which the judgment herein was rendered and entered.

Dated April 27th 1917.

MARTIN T. MANTON,
U. S. D. J.

Notice for the Application of this Certificate is hereby waived.

ROGERS, KENNEDY & CAMPBELL,
Solicitors for Defendants.

4 *Equity Subpœna.*

The President of the United States of America to F. C. Farnsworth Company and Farnsworth Manufacturing Co., Greeting:

You are Hereby Commanded to appear before the Judges of the District Court of the United States of America for the Southern District of New York, in the Second Circuit, to answer a bill of complaint exhibited against you in the said Court in a suit in Equity, by William H. Odell and to further do and receive what the said Court

shall have considered in this behalf; and this you are not to omit under the penalty on you & each of you of two hundred and fifty dollars ($250).

Witness, Honorable Learned Hand, Judge of the District Court of the United States for the Southern District of New York, at the City of New York, on the 16th day of October in the year one thousand nine hundred and sixteen and of the Independence of the United States of America the one hundred and forty-first.

ALEX. GILCHRIST, JR., *Clerk.*

SAMUEL E. DARBY,
220 *Broadway, Plaintiff's Sol'r.*

The defendants are required to file their answer or other defense in the above cause in the Clerk's office of this Court, on or before the twentieth day after service hereof excluding the day of said service; otherwise the bill aforesaid may be taken pro confesso.

[SEAL.] ALEX. GILCHRIST, JR., *Clerk.*

4½ I hereby certify, That on the 17th day of October 1916, at the City of New York, in my district I served the within-named Defendant F. C. Farnsworth Company by exhibiting to F. C. Farnsworth as President of said Company at his Office #72 Trinity Place. N. Y. City the within original, and at the same time leaving with him a copy thereof.

THOMAS D. McCARTHY,
United States Marshal,
Southern District of New York.

Dated October 17th, 1916.

M. F. B.

I hereby certify that on the 17th day of October 1916, at the City of New York in my district I served the within Subpœna in Equity upon the within named Defendant Farnsworth Manufacturing Company by exhibiting to F. C. Farnsworth as President of said Company at his Office #72 Trinity Place, N. Y. City the within original, and at the same time leaving with him a copy thereof.

THOMAS D. McCARTHY.

Dated October 17, 1916.

M. F. B.

5 In the United States District Court, Southern District of New York.

In Equity. 13-400.

WILLIAM H. ODELL, Plaintiff,

vs.

F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING CO., Defendants.

To the Honorable the Judges of the District Court of the United States for the Southern District of New York:

William H. Odell, a citizen and inhabitant of the State of New York, files this, his amended bill of complaint against F. C. Farnsworth Company a corporation organized and existing under and by virtue of the laws of the State of Delaware and the Farnsworth Manufacturing Company, a corporation organized and existing under and by virtue of the laws of the State of Massachusetts, and having offices and a regular established place of business in the City of New York, State of New York, and in the Southern District of New York.

And thereupon your orator complains and says as follows:

First. That heretofore, to wit, before the 18th day of July, 1906, William H. Odell was a citizen of the United States and a
6 resident of the City of Yonkers, State of New York, and was the original, first and sole inventor of a certain new and useful invention in Steam Traps, a more particular description of which will be found in the Letters Patent hereinafter referred to and to which special reference is hereby made.

That said invention was not known to or used by others in this country, nor patented, nor described in any printed publication in any country before his invention thereof, nor more than two years prior to his application for Letters Patent of the United States therefor, and not in public use nor on sale in the United States for more than two years before his application for patent in the United States therefor, and not patented in any country foreign to the United States on an application filed by him or his legal representatives, or assigns more than twelve months prior to the filing of his application for improvement and invention in the United States, nor had the said invention been abandoned by him.

Second. That on the said 18th day of July, 1906, the said William H. Odell being, as aforesaid, the original first and sole inventor thereof, did file his application in the United States Patent Office for patent for said invention in Steam Traps, praying for the grant and issue to him of Letters Patent of the United States for said invention, and after proceedings duly and regularly had and taken in the matter of said application, to wit, on the 4th day of December, 1906, Letters Patent of the United States bearing date

as of said day and numbered 837,711, were granted, issued
7 and delivered to him whereby there was granted to the said William H. Odell, his heirs or assigns, for the full term of seventeen (17) years from December 4, 1906, the sole and exclusive right and liberty to make, use and vend said invention throughout the United States of America, and the Territories thereof, as by said Letters Patent, or a duly certified copy thereof here in court to be produced, will more fully and at large appear, and which Letters Patent the Plaintiff now brings here into Court.

Third. That by an instrument in writing dated on or about the 8th day of September, 1914, the said William H. Odell agreed to grant and did grant unto the F. C. Farnsworth Company one of the defendants herein, the sole and exclusive right to manufacture and sell all apparatus covered by said patent, invention and improvement aforesaid during the whole term of said patent; and that by a supplemental agreement in writing dated the 8th day of September, 1914, a copy of which is hereto annexed, and marked Exhibit "A", and made a part hereof, the said F. C. Farnsworth Company one of the defendants herein agreed, that in consideration of said assignment by the plaintiff William H. Odell, of said patent, to the said F. C. Farnsworth Company and in addition to the sum paid for said assignment, to pay to the said William H. Odell within six months from the date of execution of said instrument One Hundred ($100.00) dollars and also agreed to pay to the said William H. Odell a royalty of Five Dollars ($5.00) upon each apparatus sold by the said F. C. Farnsworth Company which was covered by said Letters Patent No. 837,711 until the said William H. Odell received on account of said royalties the sum of Eighteen hundred ($1,800.00) Dollars.

8 Fourth. That upon information and belief, that thereafter, and between the 8th day of September, 1914, and the 1st day of June, 1916, the Farnsworth Manufacturing Company was organized and incorporated and took over all the assets and liabilities of said F. C. Farnsworth Company and continued to manufacture and sell apparatus constructed under said Letters Patent No. 837,771.

Fifth. That on information and belief, the defendants Farnsworth Manufacturing Company and F. C. Farnsworth Company have manufactured and sold, and are manufacturing and selling a large number of Steam Traps, which are covered by your orator's patent, and on which the royalties as aforesaid have accrued and belong to your orator under the terms and condition of the agreement aforesaid, but which royalties have not been paid to your orator by the defendants, although the defendants have been requested to pay the same to your orator; except that defendants did account and pay for five steam traps of one style of apparatus sold by them, said payment being in the sum of twenty-five ($25.00) Dollars. But your orator is in ignorance of the details as to the number of apparatus covered by your orator's patent and invention which have been manufactured and sold by the defendants and for which the royalties have not been paid, and your orator has no means of learning such details except by discovery.

Sixth. Your orator further shows unto your honors, on information and belief that the defendants pretend to be manufacturing and selling Steam Traps which are not covered by said Letters Patent granted to your orator, but your orator avers that the
9 Steam Traps so pretended to be made and sold under a construction not covered by said Letters Patent granted to your orator, and for which the defendants have not paid to your orator the royalties which the said defendants covenanted and agreed to pay are nevertheless covered by your orator's patent and invention, and royalties thereon are due and should be paid to your orator in accordance with the terms and conditions of said agreement, which have not been so paid to your orator.

Seventh. That while defendants hold the legal title to your orator's patent, as aforesaid, such legal title is held by defendants to use and to pay for such use in accordance with the terms and conditions of the agreement aforesaid, and that defendants have the use of your orator's patent invention and improvement, and have used and enjoyed, and are using and enjoying the same, and threaten to continue to use and enjoy the same, in the manufacture and sale of Steam Traps, covered by your orator's patent invention and improvement, but without paying therefor as agreed, but to what extent your orator is unable to say without discovery, and if the defendants are permitted to continue to use and enjoy your orator's patent, invention and improvement as aforesaid, without paying the agreed royalties, your orator will be irreparably injured and his property destroyed, and without recourse since your orator is not in a position to know or to ascertain the extent of such use and enjoyment or the number of apparatus sold.

Wherefore, your orator prays your Honors to grant unto
10 your orator an order commanding, requiring and compelling the defendants to make a true and faithful return, disclosure, discovery and account of all Steam Traps which have been made and sold by the defendants and covered by the patent, invention and improvement of your orator; and of all devices substituted by the defendants for the same; and of all devices which have been made and sold by defendants which accomplish the same result, or in substantially the same way, or which operate upon the same principle, as, or which are mere mechanical equivalents of and are in substantial effect the same as devices covered by your orator's patent as aforesaid; and to account for and pay over to your orator the amount of royalties thereon which the defendants are required to do under the agreement herein referred to, and which in all fairness and good conscience the defendants should pay to your orator; and that the defendants be decreed to pay the costs of this suit; and that your orator may have such other and further relief as the equity of the case, or the Statutes of the United States may require, and to this Court may seem meet and just.

May It Please Your Honors to grant unto your orator not only the writs in conformity to this bill, but also a writ of subpœna of the United States of America directed to the said F. C. Farnsworth Company and Farnsworth Manufacturing Company commanding

them on a day certain to appear and answer under this bill of complaint, and to abide and perform such order and decree in the premises as to the Court shall seem proper and required by the principles of equity and good conscience.

11 SAMUEL E. DARBY,
Solicitor for Complainants.

Office and Post-Office Address, 220 Broadway, Borough of Manhattan, New York, N. Y.

12 UNITED STATES OF AMERICA,
Southern District of New York,
City and County of New York.

William H. Odell, being duly sworn, deposes and says that he is the complainant in the within entitled action; that he has read the above and foregoing amended bill of complaint and knows the contents thereof; that the same is true of his own knowledge except as to the matters which are therein stated on his information and belief, and as to those matters he believes it to be true.

WILLIAM H. ODELL.

Sworn to before me this 22nd day of November, 1916.

SAMUEL E. DARBY, JR.,
Notary Public, New York County, #239;
New York Register, No. 7187.

13 This agreement made this 8th day of September, in the year One Thousand Nine Hundred and Fourteen, between William H. Odell, of 165 Lockwood Avenue, Yonkers, Westchester County, State of New York, party of the first part, and F. C. Farnsworth & Co., a corporation, having its principal office in the Borough of Brooklyn, City of New York, County of Kings, State of New York, party of the second part.

Whereas, the party of the first part is the owner and holder of United States letter- patent, No. 837,711, issued December 4th, 1906, and is about to assign the same to the party of the second part:

Now therefore, in consideration of said assignment and the sum of One Dollar ($1.00) paid by the party of the first part to the party of the second part, the receipt of which is hereby acknowledged, the party of the second part, in addition to the sum paid by the party of the second part to the party of the first part for said assignment, and which sum is mentioned in the assignment of said letters patent, agrees to pay to the party of the first part within six (6) months from date the further sum of One hundred Dollars ($100.00) and also agrees to pay to the party of the first part, a royalty of Five Dollars ($5.00) upon each apparatus sold by the party of the second part which is covered by said letters patent No. 837,711 until the party of the first part shall receive on account of royalties the sum of Eighteen Hundred Dollars ($1,800.00), and

It is further agreed that the royalties which become due
13½ under this agreement shall be paid every three months, and,

It is further agreed that at any time within one year from date, the party of the first part will accept the sum of Thirteen Hundred Dollars ($1,300.00), in cash, less whatever moneys may have been paid in the meantime by the party of the second part on account of royalties, in lieu of the royalties herein provided for in the sum of Eighteen Hundred Dollars ($1,800.00), and,

The party of the first part, as a further consideration for this agreement, hereby sells, assigns, transfers and sets over to the party of the second part, any and all rights which the party of the first part may now possess against any and all persons, firms and corporations who have infringed upon the rights of the party of the first part under said letters patent, and

It is further agreed that the party of the second part will pay over to the party of the first part Fifty per cent (50%) of whatever moneys the party of the second part may collect from such persons, firms and corporations as have infringed on the invention covered by said letters patents, less all court costs and expenses involved in collecting damages for such infringements and restraining the infringement of said patent, but nothing herein contained shall obligate the party of the second part to proceed against any persons, firm or corporation for past infringements.

In witness whereof, the parties hereto have set their hands and seals the day and year first above written.

14 (Signed) WILLIAM H. ODELL,
F. C. FARNSWORTH & CO.
[CORP. SEAL.] F. C. FARNSWORTH,
Pres. & Treas.

STATE OF NEW YORK,
County of Kings, ss:

On this 8th day of September, 1914, before me personally appeared William H. Odell, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed the same.

[SEAL.] (Signed) J. C. A. HUBER,
Notary Public, Kings County, 58; *Kings County Register,* 6054; *New York County,* 51; *New York Co. Register,* 6149.

15 District Court of the United States, Southern District of New York.

In Equity. 13-400.

WILLIAM H. ODELL, Plaintiff,

vs.

F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING Co., Defendants.

Answer.

The Answer of F. C. Farnsworth Company and The Farnsworth Manufacturing Company, Defendants, to the Bill of Complaint of William H. Odell, Plaintiff.

These defendants answering say:

They have no knowledge as to whether the plaintiff is a citizen and inhabitant of the State of New York, and leave plaintiff to make such proof thereof as he may be advised.

They admit that F. C. Farnsworth Company is a corporation organized and existing under and by virtue of the laws of the State of Delaware, and that The Farnsworth Manufacturing Company is a corporation organized and existing under and by virtue of the laws of the State of Massachusetts, and that such corporations have offices and a regular established place of business in the City of New York, State of New York, in the Southern District of New York.

Further answering these defendants say:

First. They have no knowledge as to whether the plaintiff before the 18th day of July, 1906, was a citizen of the United States and a resident of the City of Yonkers, State of New York, and was
16 the original, first and sole inventor of the invention in Steam Traps referred to in the first clause of complaint set forth in the bill, and leave plaintiff to make such proof thereof as he may be advised.

They have no knowledge whether the said invention was not known to or used by others in this country, nor patented, nor described in any printed publication in any country before his invention thereof, nor more than two years prior to his application for letters patent of the United States therefor, and not in public use nor on sale in the United States for more than two years before his application for patent in the United States therefor, and not patented in any country foreign to the United States on an application filed by him or his legal representatives or assigns more than twelve months prior to the filing of his application for letters patent for said improvement and invention in the United States, nor abandoned by him, and leave the plaintiff to make such proof thereof as he may be advised.

Second. They have no knowledge as to whether or not on the said

18th day of July 1906 the said William H. Odell, being the original first and sole inventor thereof, did file his application in the United States Patent Office for patent for said invention in Steam Traps, praying for the grant and issue to him of letters patent of the United States for said invention, nor as to whether or not proceedings were duly and regularly had and taken in the matter of said application, but admit the issue on the 4th day of December 1906 of letters patent of the United States bearing date as of said day and numbered 837,711, granting to the said William H. Odell, his heirs, or assigns, for the term of seventeen (17) years from Dec. 4, 1906, the sole and exclusive right and liberty to make, use and vend said invention throughout the United States of America, and the Territories thereof.

17 Third. They deny that by an instrument in writing dated on or about the 8th day of September 1914 the said William H. Odell agreed to grant and did grant unto F. C. Farnsworth Company, one of the defendants herein, the sole and exclusive right to manufacture and sell all apparatus covered by said patent, invention and improvement aforesaid, during the whole term of said patent, and they further deny that by a supplemental agreement in writing dated the 8th day of September 1914 the said F. C. Farnsworth Company one of the defendants herein agreed that in consideration of said assignment by the plaintiff William H. Odell, of said patent, to the said F. C. Farnsworth Company and in addition to the sum paid for said assignment, to pay to the said William H. Odell within six months from the date of execution of said instrument One hundred ($100.00) dollars and also agreed to pay to the said William H. Odell a royalty of Five ($5.00) dollars upon each apparatus sold by the said F. C. Farnsworth Company which was covered by the said Letters Patent No. 837,711 until the said William H. Odell received on account of said royalties the sum of Eighteen hundred ($1,800.00) dollars.

Fourth. Answering clause four of the complaint recited in the bill, Defendants admit that thereafter, and between the 8th day of September 1914 and the 1st day of June 1916 the said The Farnsworth Manufacturing Company was organized and incorporated and took over the assets of said F. C. Farnsworth Company, but aver that it assumed the outstanding liabilities and expenses of said F. C. Farnsworth Company only to limited amounts, and further aver that said The Farnsworth Manufacturing Company to a limited extent only and with the knowledge and consent of plaintiff did manufacture and sell apparatus constructed under said letters patent No. 837,711.

18 Fifth. Answering clause five of the complaint recited in the bill Defendants deny that they have manufactured and sold, and are manufacturing and selling, a large number of Steam Traps which are covered by letters patent No. 837,711, and on which royalties have accrued and belong to plaintiff under the terms and condition of the agreement aforesaid, and which royalties have not been paid by the Defendants, and aver that they have accounted and

paid in full for all Steam Traps manufactured and sold with the knowledge and consent of plaintiff as aforesaid, at a rate corresponding with that of the royalty specified in the said agreement, and that such payment has been received and accepted by plaintiff.

Sixth. Answering clause six of the complaint recited in the bill, Defendants aver that the Steam Traps made and sold by them other than those for which Defendants have paid as aforesaid are not covered by plaintiff's patent and invention, and that no royalties are due and payable thereon because such Steam Traps had, long prior to the alleged invention or discovery thereof by plaintiff, and for more than two years before plaintiff's application aforesaid for United States Letters Patent, been patented and described and contained in letters patent of the United States numbered and dated as follows:—

John Morehead, No. 327,891, Oct. 6, 1885;
Frank A. Littlefield, No. 491,486, Feb. 7, 1893;
John Morehead, No. 507,176, Oct. 31, 1893;

and also because such Steam Traps were long prior to the alleged invention thereof by plaintiff, and more than two years prior to the application aforesaid known to and put into public use and on sale by the following named persons at the following named places:—

John Morehead, of and at Detroit, Michigan.
Frank A. Littlefield, of and at Pepperell, Massachusetts.
The Pepperell Machine Co. of and at Pepperell, Massachusetts.

19 Seventh. Answering clause seven of the complaint recited in the bill, Defendants deny that they have used and enjoyed, and are using and enjoying, and threaten to continue to use and enjoy, the legal title to the letters patent aforesaid, in the manufacture and sale of Steam Traps covered by said patent, without paying therefor.

Defendants deny that plaintiff is entitled to discovery, or account, or paying over, or to costs, or to any other relief as prayed for in the bill of complaint, and pray to be hence dismissed with their reasonable costs and charges in this behalf most wrongfully sustained.

(Signed) F. C. FARNSWORTH COMPANY,
By FREDERICK C. FARNSWORTH, *President.*
THE FARNSWORTH MFG. COMPANY,
By KENNETH L. LINDSEY, *Treasurer.*

ROGERS, KENNEDY & CAMPBELL,
Solicitor- for Defendants.

20 County of Suffolk,
Commonwealth of Massachusetts, ss:

Frederick C. Farnsworth, being duly sworn, deposes and says that he is President of F. C. Farnsworth Company, one of the above-named defendants; that he has read the foregoing Answer and knows the contents thereof; and that the same is true of his own knowledge,

except as to matters therein stated to be on information and belief, and as to these matters he verily believes it to be true.

[NOTARIAL SEAL.]

(Signed) FREDERICK C. FARNSWORTH.

Subscribed and sworn to before me this seventeenth day of November, 1916.

NATHAN B. DAY,
Notary Public.

COUNTY OF SUFFOLK,
Commonwealth of Massachusetts, ss:

Kenneth L. Lindsey, being duly sworn, deposes and says that he is Treasurer of The Farnsworth Manufacturing Company, one of the above-named defendants; that he has read the foregoing Answer and knows the contents thereof; and that the same is true of his own knowledge, except as to matters therein stated to be on information and belief, and as to these matters he verily believes it to be true.

(Signed) KENNETH L. LINDSEY.

Subscribed and sworn to before me this eighteenth day of November, 1916.

[NOTARIAL SEAL.] NATHAN B. DAY,
Notary Public.

21 United States District Court, Southern District of New York.

70.

WILLIAM H. ODELL, Plaintiff,

against

F. C. FARNSWORTH CO. and FARNSWORTH MANUFACTURING COMPANY, Defendants.

Samuel E. Darby, of New York City, counsel for Plaintiff.
Rogers, Kennedy & Campbell, of New York City, for Defendants.

MANTON, *D. J.:*

When this case was reached on the calendar for trial, counsel for the defendants moved to dismiss the bill claiming that the Court was without jurisdiction. It appears from an examination of the bill that the plaintiff is a citizen and resident of this District, that the defendant F. C. Farnsworth Company is a Delaware corporation and the defendant Farnsworth Manufacturing Company is a Massachusetts corporation. The suit is for an accounting.

The bill alleges the plaintiff was the inventor of a new and useful

invention in steam traps and that by an instrument in writing dated September 8th, 1914, the plaintiff granted unto the
22 defendant F. C. Farnsworth Company, the sole and exclusive right to manufacture and sell the apparatus; that he was to receive $100 within six months from the date of the execution of the instrument and $5 upon each apparatus sold by said company until he had received the sum of $1,800 in royalties. Thereafter, the Farnsworth Manufacturing Company took over the assets and liabilities of the F. C. Farnsworth Company. The bill further alleges that the defendants have sold a large number of steam traps covered by the patent and on which royalties, as aforesaid, have accrued, and have not been paid except that the defendants did account and pay for five steam traps. An accounting is then prayed for.

The motion to dismiss the bill must be granted. While there is a diversity of citizenship, the amount involved appears to be less than three thousand dollars. Counsel argues, however, that the question of liability involves the infringement of plaintiff's patent. I differ from this view. The action is really one for breach of contract and in no way involves a determination of whether the patent has been infringed. The recent authority of Briggs v. Shoe Co. (239 U. S. 48) is controlling and I must follow it. There it is said:

"The bill shows that its dominant and ultimate object is to enforce payment of royalties reserved to the plaintiff by contract and whereby he sold to the defendant a certain patent."

23 It was held merely a suit under a contract, and not a suit arising under the patent laws. The case not being one under the patent laws and the sum involved being less than three thousand dollars, this Court has not jurisdiction. (Judicial Code § 24.) A defense of jurisdiction may be raised at the trial or at any time before the trial (Judicial Code § 37).

The case of Albright v. Teas (106 U. S. 613) is also an authority which requires the dismissal of this action for want of jurisdiction.

The bill is dismissed, with costs.

Dated, April 5th, 1917.

MARTIN T. MANTON,
U. S. D. J.

24 At a stated term of the District Court of the United States in and for the Southern District of New York, held at the court rooms, in New York City, this — day of April, 1917.

Present: Martin T. Manton, United States Judge.

In Equity. No. E-13-400.

WILLIAM H. ODELL, Plaintiff,

vs.

F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING CO., Defendants.

Final Decree Dismissing Bill.

This cause came on to be heard at this term, and was argued by counsel; and thereupon, upon consideration thereof, it was

Ordered, Adjudged and Decreed, that the bill of complaint herein be, and the same hereby is, dismissed for want of jurisdiction.

MARTIN T. MANTON,
U. S. Judge.

Consented to as to form.

SAMUEL E. DARBY,
Solicitor for Plaintiff.

Dated April 6, 1917.

25 District Court of the United States, Southern District of New York.

In Equity. E-13-400.

WILLIAM H. ODELL, Plaintiff,

against

F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING COMPANY, Defendants.

Assignment of Errors.

Now comes the Complainant in the above entitled cause and files the following assignment of errors upon which he will rely upon his prosecution of the appeal in the above entitled cause from the decree made by this honorable court on the 7th day of April 1917.

1. That the United States District Court for the Southern District of New York erred in dismissing the Bill herein.

2. That the United States District Court for the Southern District of New York erred in holding that the Complaint herein stated no cause of action within the jurisdiction of said court.

Wherefore the appellant prays that said decree be reversed and that said District Court for the Southern District of New York be ordered to enter a decree reversing the decision of the lower court in said cause.

SAMUEL E. DARBY,
Attorney for Complainant.

26 District Court of the United States for the Southern District of New York.

In Equity. E-13-400.

WILLIAM H. ODELL, Plaintiff,

against

F. A. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING COMPANY, Defendants.

To the Honorable Martin T. Manton, District Judge:

The above named William H. Odell, feeling ag-rieved by the decree rendered and entered in the above entitled cause on the 7th day of April 1917 does hereby appeal from said decree to the Supreme Court of the United States for the reason that by said decree, the Court has dismissed this cause on the ground that it had no jurisdiction thereof, and he prays that his appeal be allowed, and that citation be issued as provided by law, and that a transcript of the record proceedings and document upon which said decree was based duly authenticated, be sent to the Supreme Court of the United States under the rules of such Court in such cases made and provided.

And your petitioner further prays that the proper order relating to the required security to be made.

SAMUEL E. DARBY,
Solicitor for Petitioner.

Office and Post Office Address, 165 Broadway, New York City.

27 Appeal allowed upon giving bond as required by law for the sum of $250.00.

MARTIN T. MANTON, *Judge.*

28 District Court of the United States for the Southern District of New York.

In Equity. E-13-400.

WILLIAM H. ODELL, Plaintiff,

against

F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING COMPANY, Defendants.

To the Clerk of said Court:

It is stipulated and agreed by and between Counsel that the record on appeal shall consist of copy of:

Bill of Complaint as amended including annexed exhibits.
Subpœna and Marshal's return thereon.
Answer.
Decree.
Assignment of Errors.
Petition for Appeal to United States Supreme Court.
Allowance of Appeal to United States Supreme Court.
Certificate of Judge Manton.
Citation.
Præcipe as to Transcript of Record.
Opinion of Judge Manton.
Dated New York, April 30, 1917.

SAMUEL E. DARBY,
Solicitor for Complainant.

No. 220 Broadway, Borough of Manhattan, New York City.

ROGERS, KENNEDY & CAMPBELL,
Solicitor- for Defendants.

29 So ordered and the Clerk is directed to certify the record in accordance with the foregoing stipulation without requiring any præcipe and further approval of the evidence by the Court or Judge.

J. M. MAYER,
U. S. D. J.

Dated April 30, 1917.

30 *Stipulation on Appeal Record.*

United States District Court, Southern District of New York.

In Equity. No. 13-400.

WILLIAM H. ODELL, Complainant,

vs.

F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING COMPANY, Defendants.

It is hereby stipulated and agreed, that the foregoing is a true transcript of the record of the said District Court in the above-entitled matter as agreed on by the parties.

Dated April 30, 1917.

SAMUEL E. DARBY,
Attorney for Complainant.
ROGERS, KENNEDY & CAMPBELL,
Attorney- for Defendants.

31 UNITED STATES OF AMERICA,
Southern District of New York, ss:

In Equity. No. 13-400.

WILLIAM H. ODELL, Complainant,

vs.

F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING COMPANY, Defendants.

I, Alexander Gilchrist, Jr., Clerk of the District Court of the United States of America for the Southern District of New York, do hereby Certify that the foregoing is a correct transcript of the record of the said District Court in the above-entitled matter as agreed on by the parties.

In Testimony whereof, I have caused the seal of the said Court to be hereunto affixed, at the City of New York, in the Southern District of New York, this 3rd day of May, in the year of our Lord one thousand nine hundred and seventeen and of the Independence of the said United States the one hundred and forty-first.

[Seal District Court of the United States, Southern District of N. Y.]

ALEX. GILCHRIST, JR., *Clerk.*

Endorsed on cover: File No. 25,947. S. New York D. C. U. S. Term No. 1117. William H. Odell, appellant, vs. F. C. Farnsworth Company and Farnsworth Manufacturing Company. Filed May 8th, 1917. File No. 25,947.

FILE COPY

Supreme Court, U.S.
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CLERK

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1917

WILLIAM H. ODELL
Complainant-Appellant

against

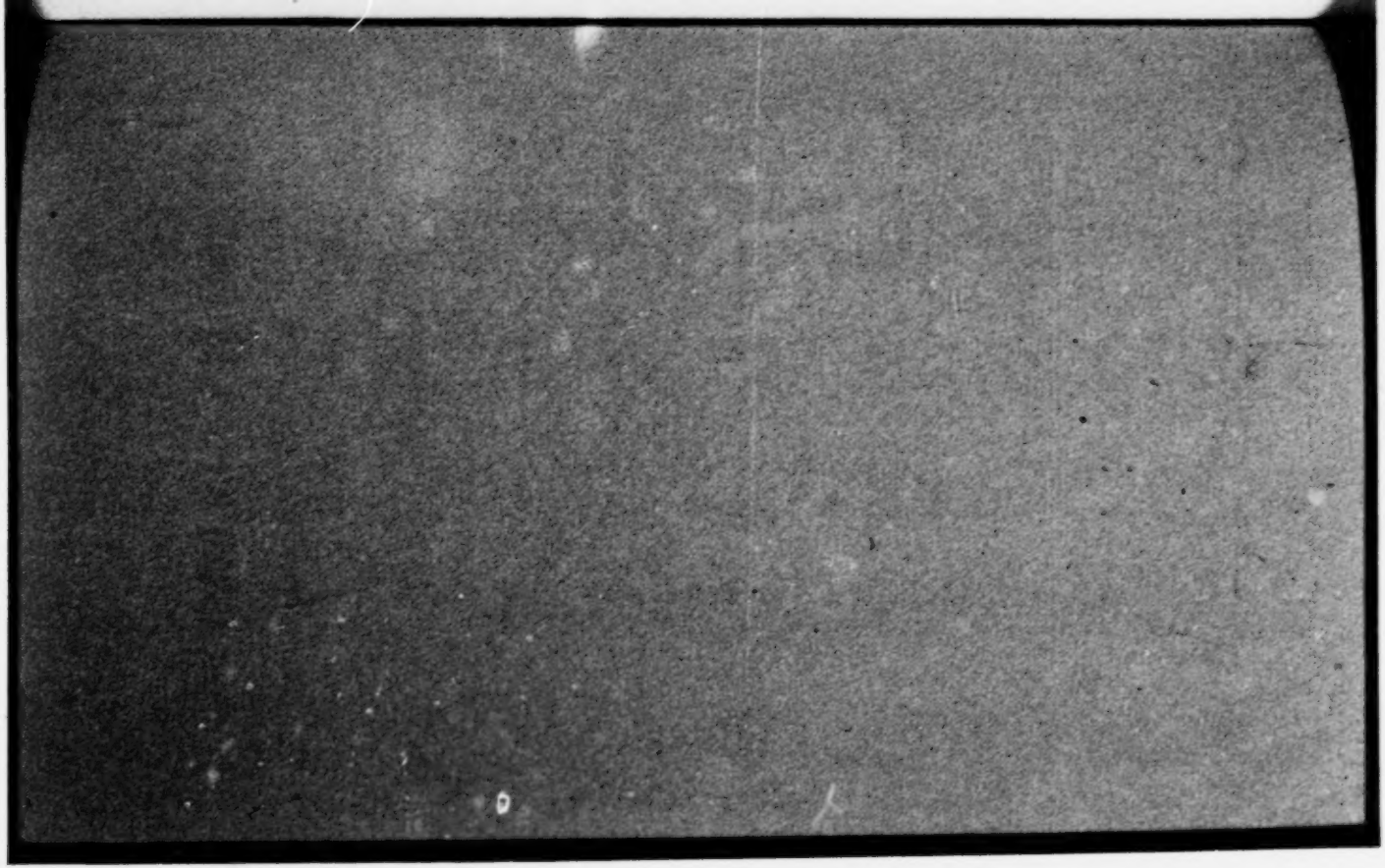
F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING COMPANY
Defendants-Appellees

No. 186

MOTION TO REINSTATE

DARBY & DARBY
Counsel for Appellant

APPEAL PRINTING COMPANY, NEW YORK CITY.



Supreme Court of the United States

OCTOBER TERM, 1917.

WILLIAM H. ODELL, Complainant-Appellant, *against* F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING COMPANY, Defendants-Appellees.	No. 498.

Notice.

Please take notice that on the 21st day of March, 1919, at the opening of the court, or as soon thereafter as counsel can be heard, the motion of which the attached is a copy will be submitted to the Supreme Court of the United States for the decision of the Court thereon.

Annexed thereto is a copy of an affidavit to be submitted with the said motion in support thereof.

Dated March 11th, 1919.

SAMUEL E. DARBY,
Attorney for Complainant-Appellant.

To

Rogers, Kennedy & Campbell,
15 Broad Street,
New York City,
Attorneys for Defendants-Appellees.

Charles F. Randall,
24 Milk Street,
Boston, Mass.,
Of Counsel for Defendants-Appellees.

F. C. Farnsworth Manufacturing Company,
65 Beverly Street,
Boston, Mass.

Motion to Reinstate on Docket.

SUPREME COURT OF THE UNITED STATES,

OCTOBER TERM, 1917.

WILLIAM H. ODELL, Complainant-Appellant, *against* F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING COMPANY, Defendants-Appellees.	No. 498.

Now comes the complainant-appellant herein by Samuel E. Darby, his counsel, appearing in his behalf, and moves the Court to reinstate the above case for call ten cases after the case under argument, or next to be called at the end of the day.

This motion is presented as provided in Paragraph Nine, Rule Twenty-six of the Rules of the Supreme Court of the United States.

SAMUEL E. DARBY,
Attorney for the Complainant-Appellant.

Dated March 11th, 1919.

SUPREME COURT OF THE UNITED STATES,

OCTOBER TERM, 1917.

WILLIAM H. ODELL, Complainant-Appellant, *against* F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING COMPANY, Defendants-Appellees.	No. 498.

State of New York, County of New York, } ss.:

Walter A. Darby, of legal age, being first duly sworn, deposes and says that he is familiar with the facts and proceedings in the above entitled case, and has personal charge of all matters pertaining to the same; that in April, 1918, he left the office of Darby & Darby to enlist in the Naval Reserve Force of the United States, and was on duty with said force until about the middle of December, when he was released from active service. That because of being in the service of the United States, the brief of the complainant-appellant was

not prepared nor filed until about the same time the case came up for hearing before the Court. By reason of this fact, the attorneys of record for the defendants-appellees, Messrs. Rogers, Kennedy and Campbell, were not given sufficient time, under the rules, to prepare and file their answering brief in the cause. It was agreed between counsel that the said case should be passed to allow the defendants-appellees time within which to file their brief, and it was understood that when said brief was filed that the counsel would join in a request to reinstate the case on the docket as provided for in the rules of the Supreme Court. After defendants-appellees' brief was filed, a stipulation to reinstate the case on the docket was presented to said Messrs. Rogers, Kennedy and Campbell, who informed deponent that they had received instructions from Charles F. Randall, attorney for the defendants-appellees, F. C. Farnsworth Company, to have nothing further to do with the case. Deponent then wrote the said Charles F. Randall requesting him to sign a stipulation to reinstate the case, but he refused to do so, saying he had no authority to do so. Deponent thereupon brought this motion, and has personally served the said Messrs. Rogers, Kennedy and Campbell, and Charles F. Randall by mailing to them, by registered mail, copies of the attached notice and copies of the motion and this affidavit to their respective addresses at 15 Broad Street, New York, N. Y., and 24 Milk Street, Boston, Mass. Deponent also mailed by registered mail the said papers to the F. C. Farnsworth Manufacturing

Company at their last known address at 65 Beverly Street, Boston, Mass. The registry receipts are attached hereto.

WALTER A. DARBY.

Sworn to and subscribed this
11th day of March, 1919.
Samuel E. Darby, Jr.,
Notary Public,
New York County.

Supreme Court of the United States

OCTOBER TERM, 1917.

WILLIAM H. ODELL, Complainant-Appellant, *against* F. C. FARNSWORTH COMPANY and FARNSWORTH MANUFACTURING COMPANY, Defendants-Appellees.	No. 498.

Appeal by complainant from a decree of the United States District Court, for the Southern District of New York, dismissing complainant's bill for want of jurisdiction.

BRIEF FOR APPELLANT.

Statement of Case.

This case came on to be heard in the court below on the bill of complaint and answer and motion to dismiss. The bill was dismissed for the "want of jurisdiction."

The certificate of the judge shows the court was of the opinion that the cause of action set forth in the bill amounts to an action under a contract and is not a suit arising under the patent laws, and as the bill shows the sum involved to be less than three thousand dollars, the court was with out jurisdiction.

The question therefore is:

Is this a "case arising under the patent laws of the United States."

Statement of Facts.

The plaintiff, William H. Odell, is a citizen and resident of the Southern District of New York. The defendant F. C. Farnsworth Company is a Deleware corporation and the defendant Farnsworth Manufacturing Company is a Massachusetts corporation. Therefore, there is no question arising as to the jurisdiction because of diversity of citizenship.

The plaintiff, William H. Odell, is the inventor of a new and useful invention in steam traps for which Letters Patent No. 837,711, issued to him December 4, 1906.

On September 8, 1914, by an instrument in writing the plaintiff granted the defendant F. C. Farnsworth Company, the sole and exclusive right to to manufacture and sell the apparatus. Plaintiff was to receive $100 within six months from the date of the execution of the instrument and $5 upon each apparatus sold by said company until he had received the sum of $1,800 in royalties.

Thereafter the Farnsworth Manufacturing Company took over the assets and liabilities of the F. C. Farnsworth Company.

Both defendants manufactured and sold steam traps and the bill of complaint alleges that the defendants have sold a large number of these steam traps which include the invention of the patent and on which royalties have accrued and which have not been paid except that the defendants did account and pay for five steam traps. It

further alleges that the defendants pretend to be manufacturing and selling devices which are not covered by said patent, but avers that nevertheless the said devices so made and sold by defendants are covered by and included within the scope of the patent in question, and the terms and conditions of the agreement aforesaid, and asks for an order of discovery and for an accounting.

The defendants filed an answer to the bill treating it as a usual suit brought under the patent laws of the United States. They deny the validity of the Odell patent and deny the existence of or any liability under the contract alleged in the bill.

When the case was reached on the calendar for trial, counsel for the defendants moved to dismiss the bill claiming the Court was without jurisdiction.

Argument.

It is respectfully submitted that the facts set forth in complainant's bill and the defenses filed in answer to the allegations in said bill raise the issues of the existence and validity of the Odell patent and if infringement of it by the defendants, and therefore constitute a "case arising under the patent laws of the United States" of which the Federal Courts have exclusive jurisdiction.

1st. These facts show that on December 4, 1906, the Commissioner of Patents allowed and granted to complainant, William H. Odell, a patent for improvements in steam traps, which defendants deny.

2nd. That by fraudulent conduct on the part of his assignee, the said Odell has been and is being wrongfully deprived of his property rights so

granted to him by his patent by defendant's infringement of it, which fact defendants deny.

3rd. That in order to establish the extent of this deprivation plaintiff must have the aid of the Court in construing his patent, in determining its validity and whether or not it has been infringed, and in compelling the defendants to make a discovery of all the devices made under his patent, and to account for such infringement.

The complainant while asking the Court only for a discovery and an accounting is in fact asking for relief from the fraudulent conduct on the part if the defendants in depriving him of his patent property.

Primarily he wants such relief.

Secondarily he asks for an accounting of the royalties due him for granting defendants a right under his patent.

The granting of the primary relief asked for in the bill is not within the power of a state court.

A suit, the primary and controlling purpose of which is to enforce a right secured by the patent or copyright laws, which right is being infringed by the defendant, is a suit under those laws and within the exclusive jurisdiction of the Federal Circuit Courts, even though it may incidentally draw in question the validity, interpretation, enforcement, and effect of a contract through which the complainant may derive title or be aggrieved.

Wooster, *et al. v.* Crane & Co., 147 F. R., 515, 516;

Littlefield *v.* Perry, 21 Wall., 205-222;

Excelsior W. P. Co. *v.* Pacific Bridge Co., 185 U. S., 282, 290, 295;

Atherton Mach. Co. *v.* Atwood Morrison Co., 102 F. R., 949;
Victor Talking Machine Co. *v.* The Fair, 123 F. R., 424;
Harrington *v.* Atlantic & Pacific Tel. Co., 143 F. R., 329-330.

In this case the gravamen of the complaint; the controlling charges is, that plaintiff has a valid patent and *that the defendants are pretending to make and sell certain devices which are not covered by complainant's patent but that complainant alleges that said steam traps so pretended not to be made under his patent, nevertheless are covered by same.*

The fact that the defendants deny that it is manufacturing or selling steam traps under complainant's patent in their answer and deny that the patent of Odell is valid, claiming that it is invalidated by prior uses and by prior patents raises the issues of validity and infringement of the Odell patent.

It necessitates the Court taking proof to determine the validity and scope of the complainant's patent and to determine whether the devices of the defendants come within its scope. In effect the suit necessitates the enquiry whether there would be infringement if the defendants were not operating under a license from the plaintiff.

This is truly an action arising under the patent laws of the United States and the Federal Courts have exclusive jurisdiction over the same.

As was said by the Supreme Court in Littlefield *v.* Perry, 21 Wall., 205:

> "Such a suit may involve the construction of a contract as well as of a patent, but that

> will not oust the Court of its jurisdiction. If a patent is involved it carries with it the whole case. * * * A court of equity looks to the substance rather than to the form."

The assignment and contract is set forth in the bill of complaint for the purpose of showing complainant's title and right in his patent and not as the basis or foundation of the suit. The agreements are merely incidental to the real complaint.

> Wooster *et al. v.* Crane & Co., 147 Fed., 515 C.C . A., Eighth Circuit.

If it should be held on final hearing that the devices made and sold by defendants and complained of, are not covered by and included in the terms and scope of complainant's patent, then complainant has no case. If on the other hand, it is held that such devices are covered by and included within the scope of complainant's patent, and is dominated thereby, then complainant is entitled to the relief he prays for.

As already pointed out the wrong committed by the defendants, and which is complained of, is solely a question of infringement of the patent in suit. The cause of action and relief prayed is not merely an alleged breach of contract of license under the patent and for an account of licensed articles sold thereunder and a decree of payment accordingly. The breach of the contract flows from the infringement alleged. If there has been no infringement then there has been no breach, so far as the present bill is concerned. If the devices made and sold by defendant, and which are alleged to be infringements are held not to be an infringement, or if complainant's patent is held not to be valid nor of sufficient breadth

and scope to cover and include said infringing devices, then there is no breach of the contract and no accounting necessary. Therefore the cause of action is not the breach of the contract except as such breach grows out of the real cause of complaint, namely, infringement of complainant's patent.

The lower court holds that the case of Briggs *v.* Shoe Company, 239 U. S., 48, is controlling in respect to this case, but an examination of the facts of that case shows that it is not in any way parallel to the case at bar.

There was no contention in that suit that the structure of the Eppler patent came under the terms of the contract as in the case at bar. It was not necessary to construe the patent nor determine whether the defendants' devices were covered by the Briggs patent in that suit. The suit was primarily an action for royalties and in order to collect those royalties it was necessary to have the Eppler patent annulled.

The case at bar is similar to the case of Leslie *v.* Wm. Manne, reported in 157 Fed. Rep., 236, in which Judge Hazel overruled a demurrer to the complaint on the question of jurisdiction.

In that case defendant pretended to be operating under a patent issued after the agreement and claimed that the patent it was operating under was for a *different* construction than the patent in suit. Here, again, this case was differentiated from the case of Briggs v. United Shoe Machinery Company, where there was no dispute as to the structure involved.

Judge Hazel in the Leslie *v.* Mann case stated in his opinion:

> **"I am inclined, however, to hold that the complainant is entitled to the equitable interposition of this Court even though no relief by way of injunction is demanded. The gist of the bill upon which the accounting seems to depend is the manufacture and sale of devices by the defendant which are protected by the patents in suit. It was obviously the duty of the defendant to have protected the complainant against infringers, but taking the allegations of the bill as true, it has in fact become an infringer by the manufacture and sale of the Deckert device. Whatever rights the defendant had to make and sell the devices in suit were obtained from the complainant, and in my judgment *the bill sufficiently charges infringement of the complainant's patented devices by the use of the Deckert construction with the object, as claimed, of depriving the patentee of his royalties and commissions. A decision of the controversy involves the construction of the patents and claims in suit and of the Deckert patent to ascertain whether there has been infringement by the defendant, and therefore I think this is an action, suit or controversy under the patent law and within the jurisdiction of this Court.*"**

It is true that when a royalty has been established or a license granted for the manufacture and sale of a patented article the recovery of damages for failure to comply with the agreements must be in an action on the contract, but in this case, as already pointed out, it is essential to establish the validity of the patent and its infringement by the defendant before there can be an accounting, and these are the issues raised by the pleadings.

Therefore, as Judge Hazel stated in another case,

Harrington *v.* Atlantic and Pacific Telegraph Company, 143 Fed. Rep., 329-330, "even though contract rights are involved, if the question of infringement of patents is also presented, the Court is not deprived of jurisdiction."

To the same effect is

Littlefield *v.* Perry, 21 Wall, 205;
Excelsior W. P. Co. *v.* Pacific Bridge Co., 185 U. S., 285;
White *v.* Rankin, 144 U. S., 628;
Wooster *v.* Crane & Co., 147 Fed., 515;
Atherton Mach. Co. *v.* Atwood Morrison Co., 102 Fed. Rep., 949;
Victor Talking Machine Co. *v.* The Fair 123 Fed., 424.

The case of Excelsior W. P. Co. *v.* Bridge Co., 185 U. S., 284, decided May 2, 1902 is more in point with the present state of facts than that of Briggs *v.* United Shoe Machinery Company. Mr. Justice Brown in a careful opinion goes into the question of jurisdiction of the Federal Courts in such an action as the case at bar, and cites many cases upon the point and on the statement of facts before the court reversed the lower court which dismissed the bill on the ground that the action did not arise under the patent laws. Judge Brown says:

> "The most important question is whether this is a suit under the patent laws of the United States within the meaning of Rev. Stat. Sec. 629, Sub. 9, which grants original jurisdiction to the Circuit Courts of all suits at law or in equity arising under the patent or copyright laws of the United States. The rule is well settled that if the suit be brought to en-

> force or set aside a contract, though such contract be connected with the patent, it is not a suit under the patent laws, and jurisdiction of the Circuit Court can only be maintained upon the ground of diversity of citizenship. *But difficulties sometimes arise in determining whether the action be upon a contract or upon the patent.*"

Judge Brown then points out what cases are clearly action for the recovery of royalties and where no questions under the patent laws are involved, citing Albright *v.* Teas, 106 U. S., 613; Dale Tile Mfg. Co. *v.* Hyatt, 125 U. S., 46; Felix *v.* Scharnweber, 125 U. S., 54; Marsh *v.* Nichols, 140 U. S., 344; Wade *v.* Lawder, 165 U. S., 624; and Pratt *v.* Paris Light and Coke Co., 168 U. S., 255.

He then points out that there is a

> "complete distinction between a *case* and a *question* arising under the patent laws."

He states that:

> "The former arises when the plaintiff in his opening pleading—be it bill, complaint or declaration—sets up a right under the patent laws as ground for a recovery." Of such cases the State Courts have no jurisdiction.
>
> "The latter," the opinion goes on, "may appear in the plea, or answer or in the testimony. The determination of such a question is not beyond the competency of the state tribunals."

Following Justice Brown's reasoning the complaint in this suit has set up his rights under the patent laws as a ground for a recovery.

The bill makes the usual allegations of a bill for infringement and puts in issue (1) the title of the

plaintiff which in this case is an equitable title as evidenced by the agreement attached to the bill (2) the validity of the patent (3) the infringement. The answer filed puts all these issues in controversy. Therefore, it is contended that this is a "case" arising under the patent laws. Justice Brown points out that the court is also bound to consider the averments of the answer and cited Robinson *v.* Anderson, 121 U. S., 522, in which case the Chief Justice said:

> "Even if the complaint, standing by itself, made out a case of jurisdiction, which we do not pass upon, it was taken away as soon as the answers were in because if there was jurisdiction at all it was by reason of the averments in the complaint as to what the defenses against the title of the plaintiffs would be, and they were of no avail as soon as the answers were filed and it was made to appear that no such defenses were relied on."

Is there anything in the answer in the case at bar to show that the Court was bound to dismiss the bill for want of jurisdiction? The answer denies any information as to the validity of the patent. It also denies the acts charging infringement; it denies the license. It will be observed that the answer makes no question of the construction of the license but merely of its existence, that is, of the title of the plaintiff to sue. It is contended that the answer in this case puts in issue the plaintiff's title, the validity of the patent and the infringement. Now, it may be freely conceded that if the licensee had failed to observe any one of the conditions of the license the plaintiff would have been obliged to resort to the State Courts, either to recover the royalties or to

procure the revocation of the license. Such a suit would not involve any question under the Patent Law. But this case is expressly for the purpose of ascertaining whether or not the defendants have infringed upon the patent, and if the Court so finds infringement after construing the patent and the alleged infringing devices, then the question whether or not the licensee had failed to observe the conditions of the license would be known to plaintiff and licensee and then perhaps if royalties were not paid in compliance with said license the plaintiff would have to resort to the State Courts.

This matter is carefully discussed in the above cited case of Excelsior W. P. Co. *against* Bridge Co., 185, U. S., 284, by Mr. Justice Brown.

It is submitted, therefore, that this suit *is* a *case* arising under the patent laws of the United States and therefore one over which the jurisdiction of the Federal Court is exclusive.

The decree should be reversed and the cause remanded.

New York City, January 23, 1919.

Respectfully submitted,

Samuel E. Darby

DARBY & DARBY,

Counsel for Appellant.

SUPREME COURT OF THE UNITED STATES.

No. 186.—October Term, 1918.

William H. Odell, Appellant, *vs.* F. C. Farnsworth Company and Farnsworth Manufacturing Company.	Appeal from the District Court of the United States for the Southern District of New York.

[June 9, 1919.]

Mr. Justice Clarke delivered the opinion of the Court.

This is an appeal from a decree of the District Court for the Southern District of New York, dismissing plaintiff's, appellant, bill for want of jurisdiction.

The District Court certifies: That the case was heard on the bill of complaint and a motion by the defendants to dismiss for want of jurisdiction; that the court ruled that the cause of action stated in the bill is an action on a contract and is not a suit arising under the patent laws of the United States, and that the bill was dismissed for want of jurisdiction, solely because it showed on its face that the matter in controversy is less than $3,000.

The bill shows the requisite diversity of citizenship to give the court jurisdiction, but the amount claimed is only $1800 and therefore it did not have jurisdiction, (Judicial Code, Section 24, 1st paragraph), unless the case is one arising under the patent laws of the United States.

The contention of the appellant is that the suit is one for infringement of a patent and arises under the patent laws and that therefore the court had jurisdiction regardless of the amount involved, Judicial Code, Section 24, 7th paragraph.

The allegations of the bill are: That the plaintiff was an inventor of a new and useful "steam trap," upon which he was granted letters patent No. 837,711; that on September 8th, 1914, he made a grant, in writing, to one of the defendants, to which the other defendant succeeded, of the "sole and exclusive right to manufacture and sell all apparatus covered by the patent," . . .

"during the whole term of said patent," and that on the same date the defendant, assignee of the patent, agreed in writing to pay plaintiff, in addition to the sum paid for the assignment,—$100 within six months, and a royalty thereafter, of $5 upon each "apparatus" sold until there should be received on account of such royalties the sum of $1800. It is further alleged that the defendants had sold a large number of patented "steam traps" but had accounted and paid for the sale of only five, and that they pretend that the others which they are manufacturing and selling are not covered by the letters patent granted to the plaintiff, and, finally, that the legal title to the patent involved is held by the defendants to use, and pay for the use of, the invention according to the terms of the written contract of September 8, 1914.

The prayer is for a discovery of the number of "steam traps" covered by the patent which the defendants have sold and for a decree that they "account for and pay over to your orator the amount of royalties thereon, which the defendants are required to do under the agreement herein referred to" and for the costs of suit.

Thus, neither the allegations nor the prayer of the bill aims at annulling or even modifying either the assignment of the patent or the contract on account of the breach of the latter, but on the contrary, plainly, the case intended to be stated, is one to enforce the contract and collect the royalties stipulated in it. Infringement of the patent is not alleged but, on the contrary, a completed grant and assignment of the legal title to it is pleaded, sufficient on its face, while unmodified, to disable the plaintiff from maintaining a suit for any infringement subsequent to the date of such assignment.

To constitute a suit under the patent laws the "plaintiff must set up some right, title or interest under the patent laws, or at least make it appear that some right or privilege will be defeated by one construction, or sustained by an opposite construction, of these laws." *Pratt* v. *Paris Gas Light & Coke Co.*, 168 U. S. 255, 259.

The party who brings suit is "master to decide what law he will rely upon," and the allegations of his bill are the evidence, or the expression, of his decision, upon which the courts must act in determining the question of their jurisdiction. *The Fair* v. *Kohler Die & Specialty Co.*, 228 U. S. 22; *Healy* v. *Sea Gull Specialty Co.*, 237 U. S. 479.

It is too clear for discussion that the case stated in the bill, is a suit for royalties based on the contract, and not at all involving the construction of any law relating to patents. It has been often decided by this court that such a suit is not one arising under the patent laws, and since less than the requisite jurisdictional amount is claimed the District Court did not err in dismissing the bill. *Wilson* v. *Sandford*, 10 How. 99; *Dale Tile Mfg. Co.* v. *Hyatt*, 125 U. S. 46; *Albright* v. *Teas*, 106 U. S. 613; *Excelsior Wooden Pipe Co.* v. *Pacific Bridge Co.*, 185 U. S. 282; *Briggs* v. *United Shoe Machinery Co.*, 239 U. S. 48.

The decree of the District Court must be

Affirmed.

A true copy.

Test:

Clerk Supreme Court, U. S.